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United States General Accounting Office

GAO Testimony

For release
on Delivery
Expected at
9:30 a.m. EDT
Friday,
March 3, 1989

IMMIGRATION: S.358 WOULD CHANGE THE DISTRIBUTION OF IMMIGRANT CLASSES

Statement of
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Before the
Subcommittee on Immigration
and Refugee Affairs
Committee on the Judiciary
United States Senate

GAO/T-PEMD-89-1

available

INTRODUCTION

Mr. Chairman, Members of the Subcommittee:

It is a pleasure to be here today to summarize the preliminary results of GAO's study of the projected impacts of the Kennedy-Simpson bill in response to Senator Kennedy's request. We conducted an assessment of future trends in legal immigration over the next 10 years based on current law and the new bill. Our original assessment was of the previous bill, S.2104; since S.358 changes the effective date of the proposed legislation 1 year--from fiscal year 1990 to 1991--we revised our assessments of S.2104 accordingly to provide you with the most timely information that we can.

Before discussing our results, let me review the way we did our analyses and the evidence we used. We assembled a distinguished panel of immigration experts affiliated with academic, government, and other institutions (see the listing in attachment A). We focused on likely effects of S.358 in terms of changes in three areas: (1) the numbers of immigrants; (2) the visa waiting list; and (3) labor-market-based immigration. We then asked the experts to predict trends in these three areas under current law and the new bill, using whatever data were available and useful to support their answers. Much of their analyses consisted of projections from data bases on visa number use and

from waiting lists maintained by the Immigration and Naturalization Service (INS) and the State Department, respectively, and how the laws are likely to operate. We at GAO then reanalyzed these various projections, and synthesized the results to develop our own estimates.[1] Based on this work, we present independent answers to the three questions on the likely trends under current law and S.358.[2] Let me now summarize the main features of S.358.

CHANGES PROPOSED TO CURRENT LAW BY S.358

The bill proposes to change legal immigration in three major ways:

1. It would change the system for allocating family preference visas by basing the number to be made available upon the level of immediate-relative immigration. Within an overall annual limit of 590,000 visas, 440,000 would be reserved for family-connected immigration. This contrasts with a limitation of 216,000 family preference visas under current law with no linkage to immediate-relative immigration, which is unlimited. "Family connection" immigration is the

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[1]Like all estimates, those presented here are subject to exogenous influences that may cause inaccuracies, e.g., an unforeseen change in U.S. foreign policy, or a change in the policies of sending countries.

[2]We also used previous GAO work on projecting legal immigration. See IMMIGRATION: The Future Flow of Legal Immigration to the United States. GAO/PEMD-88-7. (Washington, D.C.: U.S. Government Printing Office).

sum of family preference and immediate-relative immigrants. Immediate relatives--the spouses, unmarried children under 21, and parents of U.S. citizens age 21 or older--would not be limited, but if the 440,000 level of family connection visas were exceeded, the number of family preference visas for the following year would be reduced accordingly.[3] In fiscal year 1987, 220,000 immediate relatives immigrated, for a total (including the family preferences) of 436,000 family connection visas.

2. Compared to the preference system under current law, the bill would provide more visas to unmarried adult children (under 26) and spouses of U.S. resident aliens (2nd preference class), and fewer visas to brothers and sisters of adult U.S. citizens (5th preference class), within the family preference limitation.

3. It would create under the overall category "independent immigrant" a new class of "selected immigrants" who would qualify on the basis of criteria such as their education, English language ability, and occupation. There would be an initial 120,000 annual limitation for independent immigrants, of whom at least 45 percent (54,000) would be selected immigrants. The overall annual limit of 590,000 visas would

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[3]Family preference visas are made available to certain immigrants on the basis of their relationship to a U.S. citizen or permanent resident.

include both independent immigrant and family connection visas.[4]

Table 1 contrasts the main features of S.358 with those of the current law. Note that of the four family preference classes, only the 2nd and 5th preference class definitions would be changed under S.358. The current 3rd and 6th preference classes, which are occupationally based, would be included in the independent immigrant category under S.358, and eligibility restricted somewhat to more educated and more skilled workers. The major new category under the independent immigrants is that of selected immigrants, who would be chosen according to a new point system, and would make up 45 percent of total independent immigrants.

The bill establishes procedures for changing the numerical limits starting in fiscal year 1994. The President can recommend to the Congress a change in either the 440,000 family connection level, the 150,000 independent immigrant level, or the total 590,000 level. If the recommended change is 5 percent or less for a 3-year period it would go into effect unless the Congress

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[4]During fiscal years 1991-93, the 440,000 family connection level is temporarily increased to 470,000 because 30,000 additional visas have been allocated for reduction of the 5th preference waiting list during that period. In fiscal year 1994, these 30,000 visas are reallocated to the independent immigrant category for a total of 150,000. Therefore, the annual limit of 590,000 is maintained under both allocations.

Table 1: Comparison of Provisions and Visa Numbers in the Current Law and S.358, Based on Fiscal Year 1987 Data

Immigration category	Category description: Under current law	Category description: Under S. 358	Numerical limitation: Under current law	Numerical limitation: Under S.358 No.	Numerical limitation: Under S.358 %
1. Family Connection					
Exempt	Immediate relatives: spouses, unmarried children under 21, and parents of adult U.S. citizens	No change	No limit[a]	No limit	b
Family preference	1st: unmarried adult sons and daughters of U.S. citizens	No change	54,000	33,000	15%*
	2nd: spouses and unmarried sons and daughters of permanent residents	Limited to spouses and unmarried sons and daughters under 26	70,200	143,000	65
	4th: married sons and daughters of U.S. citizens	No change	27,000	22,000	10
	5th: brothers and sisters of adult U.S. citizens	Limited to never married brothers and sisters	64,800	22,000[c]	10
Total: family preference			216,000[d]	220,000[e]	100
2. Independent	Special immigrants (ministers of religion, for example)	No change	No limit	6,000	5**
	3rd: professions and exceptional ability	Advanced degree required for professions	27,000	27,600	23

* Percent going to each category after numbers reserved for immediate relatives of U.S. citizens.

**Percent going to each category of total independent visas.

6th: skilled and unskilled workers	Limited to skilled workers	27,000	27,600	23
f	Employment-generating investors: one million capital plus 10 full-time jobs[g]	f	4,800	4
f	Selected immigrants chosen according to new point system	f	54,000	45
Total: independent/other preferences		54,000	120,000	100

[a]220,000 immediate relatives immigrated in fiscal year 1987.

[b]Not applicable

[c]This does not include the addition of 30,000 per year for fiscal years 1991-93 to reduce the current 5th preference backlog.

[d]This total excludes immediate relatives.

[e]Number may fluctuate according to the number of immediate relatives entering the United States in the previous year, here assumed to be 220,000.

[f]No such category under current immigration law.

[g]For United States citizens or aliens lawfully admitted for permanent residence rather than the family of such immigrants.

Source: U.S. Senate, Immigration Act of 1988 Report 100-290, 100th Cong., 2nd sess. (Washington, D.C.: U.S. Government Printing Office, 1988). GAO has adapted this Senate report on S.2104 to S.358.

changes it by joint resolution. If greater than 5 percent, it would become effective only by a joint resolution approving the change.

Of the many objectives of S.358 that were discussed in the Senate report,[5] we considered the following five:

1. To increase the number of immigrants admitted on the basis of labor market characteristics, rather than upon their family relationships, and to ensure that "a larger proportion of immigrants will be subject to labor market and skills tests."

2. To provide more-equal access by creating "two separate immigrant-visa 'preference systems': one for close family members, another for 'independent' immigrants." Under S.358, "the family preference will no longer compete with the jobs-related 'independent' preferences." This was also a recommendation of the Select Commission on Immigration and Refugee Policy in 1981.

3. To stimulate immigration "from the earlier sources of immigration to [the United States]," particularly by "those now virtually excluded" because "they have no family connections in the United States."

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[5]U.S. Senate, Immigration Act of 1988 Report 100-290, 100th Cong., 2nd sess. (Washington, D.C.: U.S. Government Printing Office, 1988). GAO has adapted this Senate report on S.2104 to S.358.

4. To alter the distribution of family-related admissions by "giv[ing] higher priority to the closest family members."

5. To provide flexibility in the immigration system.

Given these changes, then, what impacts can we expect from the new law with regard to the numbers of immigrants?

NUMBERS OF IMMIGRANTS

Overall

We estimate that the total number of immigrants during the 10-year period 1990 to 1999 will be approximately the same under current law and S.358, that is, about 6.1 and 6.2 million, respectively, if one assumes no change in the 440,000 annual worldwide limitation. The Subcommittee asked us to apply a 5 percent increase to the 440,000 limitation annually beginning in fiscal year 1994. A higher number of immigrants--an estimated 6.6 million--would enter during the 10-year period under this increase in the limitation.[6] The distribution by major immigrant classes, however, is likely to be very different under current law and S.358.

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[6]We note that such an increase, which would be greater than 5 percent during a 3-year period, would require approval by the Congress by joint resolution.

Family Connection Immigration

With respect to family connection immigration (that is, the aggregation of immediate-relative and family preference immigration), figures 1 and 2 display our results.

Figure 1 shows that we project a steady increase in immediate-relative immigration under both current law and S.358 through 1995. We selected an average annual rate of increase of 6.2 percent as a reasonable estimate because it represents the relatively stable rate of growth experienced in the period 1970-87. We expect a substantial increase in immediate-relative immigration in 1996--about 150,000 through the end of our projections in 1999--associated with petitions from Immigration Reform and Control Act of 1986 (IRCA) beneficiaries.[7] Under that act certain undocumented aliens were eligible to apply for temporary resident status, which could subsequently be adjusted to permanent resident alien status. By 1996, participants who subsequently became naturalized citizens

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[7]If current rates of naturalization and petitioning for immediate relatives by country of origin for legal immigrants are applied to IRCA beneficiaries, then a maximum of about 300,000 immediate relatives could be expected. Our estimate is half of that amount. Note that a child older than 7 who entered the United States by December 31, 1981--the cutoff date to be eligible for legal immigration status under IRCA--would be older than 21 by 1996, and ineligible by definition to immigrate as an immediate relative. Also, by 1996 an IRCA immigrant would have been in the United States for a minimum of 15 years, and many probably longer. The parents of these immigrants would be correspondingly older and closer to death.

Figure 1: Estimated Annual Immediate-Relative Immigration Under Current Law and S.358 During Fiscal Years 1990 to 1999

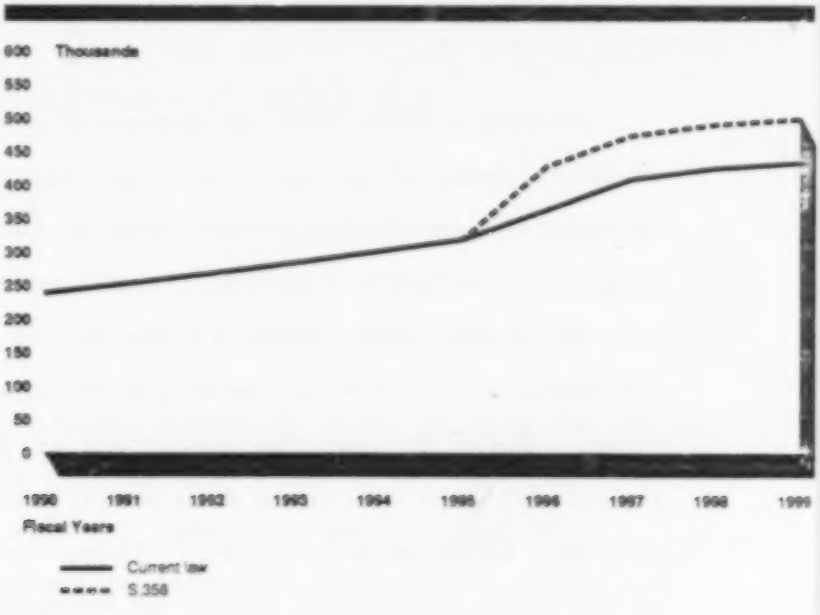
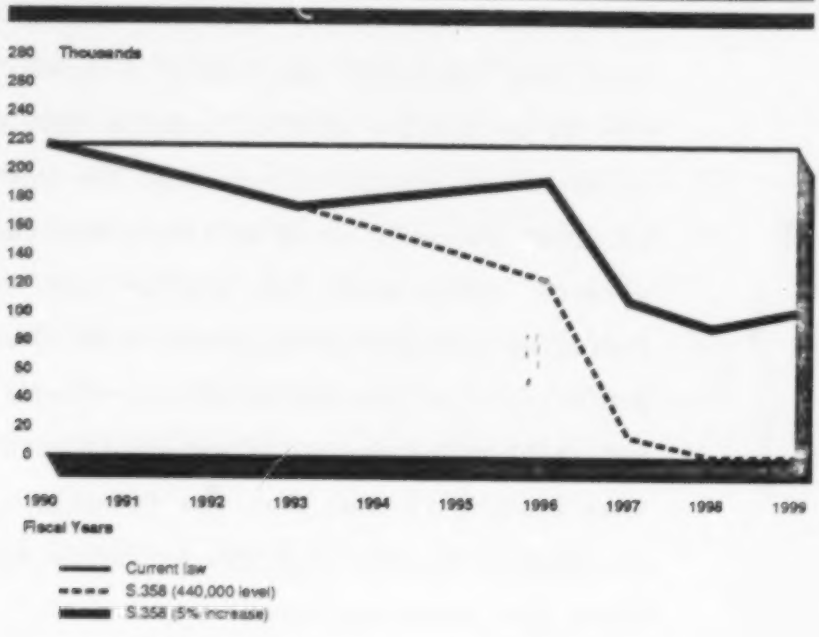


Figure 2: Estimated Annual Family Preference Immigration Under Current Law and S.358 During Fiscal Years 1990 to 1999



could petition for their immediate relatives to enter the United States.

Figure 1 also shows a further increase in immediate relatives associated with S.358. This represents the spouses and children under the "selected immigrants" program. That program does not provide derivative status, meaning that spouses and children of selected immigrants cannot enter the United States under the selected immigrant program simply because they are relatives of selected immigrants. Put another way, all selected immigrants, including spouses and children, must qualify for such status by achieving a sufficient point score based upon their labor market and skill characteristics and other attributes. The corollary of that finding is that when the selected immigrants later become citizens, they can petition for their spouses and children to enter under the immediate relative category.

Figure 2 shows quite different patterns for family preference immigration. Under current law we project family preference immigration to remain level at 216,000 annually, as limited by law. Under the 440,000 family connection limitation of S.358, the level of family preference immigration would drop steadily. This is because the current year's immediate-relative level is used to determine the next year's family preference limit by subtracting from 440,000. Note the accelerated drop in family preference immigration predicted for 1997, which represents the 1-year "lag"

associated with our previously discussed increases in immediate-relative immigration starting in 1996. By 1998-99, we project family preference immigration could drop to zero.[8]

The annual application of a 5 percent increase in family connection immigration--if approved by joint resolutions of the Congress--would moderate the decline in family preference immigration. If the level were increased 5 percent each year starting in 1994, family preference immigration in the period 1990-99 would decline less, from a predicted 2.2 million under current law to 1.6 million, compared with 1.2 million under the 440,000 limit. However, as I noted earlier, the regular utilization of a 5 percent increase in the family connection limit would also produce the highest estimated total immigration of 6.6 million.

Effects on High-Demand Countries and All Other Countries

Under current law, immigration is concentrated among certain countries. For example, in fiscal year 1987, more than half the family-connection immigrants admitted to the United States were

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[8]Up to 1995, in Figure 1, our projections reflect what is likely to happen with growth in immediate-relative immigration to within about plus or minus 1 year. The fluctuations in the growth rate we have observed in the past make this a reasonable expectation. For the rest of the projection period there are obviously more uncertainties because of the 2 additional immediate-relative groups--those resulting from petitioning by IRCA beneficiaries and selected immigrants--but we think that in any scenario the family preference limit would be drastically reduced if not eliminated. The drop to zero could occur a year or two later than we show, but is not likely to occur earlier.

from 10 countries. In our projections, we defined a "high-demand" country as a country that is likely to use all of the family preference visas made available to that country up to the maximum per-country limit under current law during the 1990-99 period. We identified 8 such countries and have grouped them for purposes of analysis.[9] Because we lack comprehensive information about the demand for immigration from other countries, we treated all remaining countries as a residual category representing some combination of immigration from the remaining 167 countries of the world.

I noted earlier that one of the objectives of S.358 is to stimulate immigration "from the earlier sources of immigration." There is no assurance that S.358 would increase immigration from low-demand countries that were also earlier sources of immigrants, but we predict some lessening of the concentration of family preference immigration among these 8 high-demand countries, as we show in figure 3. Both of the projections of S.358 reverse the pattern under current law in which the 8 high-demand countries have more family preference immigration than the 167 remaining countries. These 167 countries would yield an estimated 1.0 million family preference immigrants during the 10-year period under current law, compared with 701,000 under S.358 with a level

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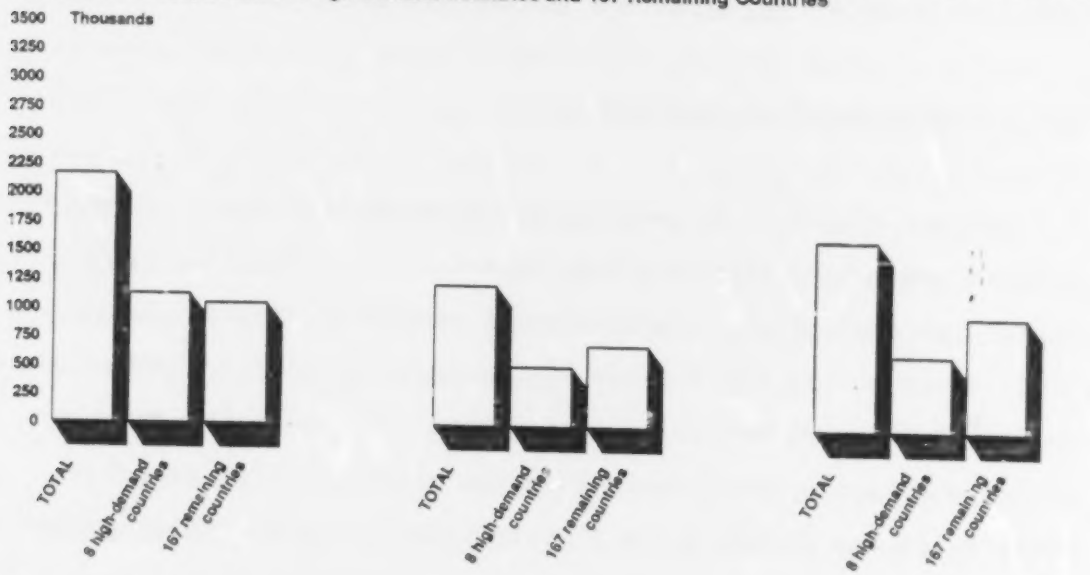
[9]Mexico, the Philippines, South Korea, the Dominican Republic, India, China, Great Britain and Hong Kong.

Figure 3: Projected Differences in Distribution of Family Preference Class Visas Under Current Law and S.358 During Fiscal Years 1990 to 1999, Between 8 High-Demand Countries and 167 Remaining Countries



Current law, 1990-99

S.358, fixed 440,000 level, 1990-99

S.358, 5% increase in 440,000 level beginning in 1994, 1990-99

limit, and 988,000 under S.358 with the annual 5 percent increases in the level of family connection immigration.

It is equally important to emphasize that these 8 high-demand countries would continue to dominate family preference class immigration under either of our projections under S.358.

Labor Market-Based Immigration

Before moving to changes in the visa waiting lists, I would like to comment briefly on labor market-based immigration to finish the section on distribution of immigrant classes, but I will return to the topic later.[10] As shown earlier in table 1, the volume of labor market-based immigration would more than double from about 54,000 under current law to nearly 120,000 annually under S.358 for fiscal years 1991 to 1993. It would then increase to nearly 150,000 annually in 1994 and thereafter.

This, then, brings me to our second impact question: the likely effect of the new law on visa waiting lists.

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[10]We have defined labor market-based immigrants as all independent immigrants except "special immigrants." The latter are certain ministers of religion and other immigrants.

CHANGES IN THE VISA WAITING LIST

Let me begin by pointing out that changes in the waiting list cannot be projected with any great degree of confidence. There are two major reasons for this. First, many important variables associated with demand cannot be addressed by legislation, such as economic and social conditions in the sending country, or the desire to immigrate to the United States. Second, we cannot predict the extent to which people will change places in line--that is, switch to different means of entry, or apply for entry under more than one class. We can, however, describe the pressures that are likely to lead to change in the waiting lists and roughly quantify their overall magnitude.

The rapid dropoff of family preference visas under S.358--assuming no change in the 440,000 limitation--is likely to translate into some increases in the waiting lists. Some immigrants who would have been admitted under current law could be likely to remain on waiting lists. The data in figure 2 showed that over a 10-year period, 947,000 fewer family preference visas would be issued under S.358. If the 440,000 limit increases by 5 percent each year starting in 1994, that net reduction would be somewhat less, 525,000 overall, but that would still probably translate into some increases in the waiting list. We believe that pressures are likely to be greatest on the 2nd and 5th preferences.

Changes in the 2nd Preference Waiting Lists

Under S.358, if the demand for 1st preference visas remains low, then up to approximately 150,000 visas could be issued during the first year (1991) for 2nd preference admissions--spouses and unmarried sons and daughters of permanent residents--compared with about 110,000 to 112,000 visas issued annually under current law. Both estimates include expected falldown from unused, relatively low-demand 1st preference visas. This proposed increase in 2nd preference visa availability under S.358 would be countered by three factors that would each act to increase pressure on 2nd preference waiting lists. First, the number of 2nd preference visas likely to be made available under S.358 would, in the projections we made, at best about equal the number likely to be made available under current law in the long term. Under the 440,000 limitation of S.358, about 840,000 2nd preference visas would be made available during 1990-99. If the 440,000 limit were increased by 5 percent each year starting in fiscal year 1994, the number of 2nd preference visas made available would be about 1.1 million, the same number that would be likely to be made available under current law during 1990-99.

Second, the lack of derivative status for spouses and children of selected immigrants would place immediate pressures on the 2nd preference waiting lists. Selected immigrants can petition immediately for spouses and children, and any such petitions would

be added to the end of the current 2nd preference waiting list. We assume 2nd preference petitioning at the rate of 1.2 spouses and children per immigrant, which is the recent average among 3rd and 6th preference occupation-based immigrants. This results in an estimated additional 2nd preference demand totaling about 680,000 during 1991 to 1999. Although most countries do not currently have waiting periods exceeding 2 years, this could change if the list were further pressured by other high-demand countries.

Third, beginning in 1990--under either current law or S.358--the 2nd preference class is likely to face additional pressures from IRCA petitioners for admission of spouses and children who did not qualify for the legalization program. Since the majority of IRCA beneficiaries--about 75 percent--are from Mexico, the current 10-year waiting period for Mexico's 2nd preference class would increase even more. A long-term strategy for IRCA petitioners from Mexico would be to petition for these individuals as immediate relatives after naturalizing. We think about 150,000 such immediate relatives are likely to become immigrants during 1996 to 1999 under both current law and S.358.[11]

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[11]One member of our expert panel (Warren) did a separate study of the number of immediate relatives that can be expected from IRCA beneficiaries, and our 150,000 estimate is based on our analysis of his study.

Changes in the 5th Preference Waiting List

Admissions from the 5th family preference class--brothers and sisters of adult U.S. citizens--are likely to decrease from about 70,000 annually under current law to an estimated 20,000 or less, under S.358. The current 5th preference waiting list is advancing at about 4 months per year for most countries, and some petitions filed in 1982 have not yet been reached. The reduced admissions in the 5th preference under S.358 would correspondingly reduce advancement in the waiting list to slightly more than 1 month per year. The additional 90,000 visas under S.358 for the reduction of the 5th preference class waiting list would go to immigrants from 2 countries, Mexico and the Philippines, because they have the earliest registration dates. These additional visas would not appreciably reduce any country's waiting list. Also, any additional 5th preference applications would be added to the current waiting list. It should be noted that although limiting new 5th preference applications to "never married" brothers and sisters would drastically reduce new applications, the length of the current waiting list and limits on admissions mean that it could be nearly 75 years before petitions filed now would be acted upon.

CHANGES IN LABOR MARKET-BASED IMMIGRATION

Finally, we looked at changes in labor market-based immigration as our third and last impact area. I noted earlier that the volume of labor market immigration would more than double under S.358. I will first review what we know about the occupational skills immigrants now bring to this country, and what changes could be anticipated under S.358, and then conclude by examining issues about the extent to which immigration meets the occupational demand of the U.S. labor market.

Immigrant Occupational Distribution

We sought information on the occupations of past immigrants in order to assess their impact on the structure of the U.S. work force. An assessment was not possible for two reasons. First, data on immigrant occupations are often missing, unreliable, or both. For example, much of the data are gathered from visa applications and pertain to immigrants before they enter the U.S. labor market; spouses or derivative beneficiaries do not list an occupation; and the measure of occupation is not valid because it can refer to past occupation, current occupation, or intended occupation. The second reason is that high occupational turnover among immigrants would render any occupational projection problematic.

The most consistent occupational data are for the current 3rd and 6th preference classes, which require labor certification. These findings are instructive, but they represent a small fraction --less than 10 percent--of the total immigration stream and are not likely to be representative of that larger stream. The majority of the 54,000 immigrants in these classes are spouses and children, however, and actual workers number about 24,000 annually. In fiscal year 1987, about 42 percent of these actual workers had professional specialty and technical occupations. They were engineers, doctors, architects, scientists, and the like; about 21 percent were in service occupations. Under S.358, the expanded educational requirements would be expected to increase the proportions of professional workers or those with advanced degrees.

Occupational Characteristics of Selected Immigrants

Selected immigrants under S.358 would reflect a highly educated and/or skilled group with occupations the Department of Labor judges as being "in demand." The first selections would be through a random drawing for 20 percent of the slots from among these claiming 80 or more points. To get the 80 points an immigrant must have an occupation that is or will be in demand. Any 80-pointers not selected would be added to the 50-point pool, and a second random drawing would occur. To get 50 points, an immigrant must have (1) a bachelor's degree or (2) an occupation that is or will be in demand.

We think that demand for immigration would fill all available slots. However, until the Department of Labor makes a determination of the occupations that are "in demand", there is no way to predict the likely occupation of selected immigrants.

Extent to Which Current Law and S.358 Meet U.S. Labor Market Demand

To the extent that the Department of Labor can identify occupations "in demand," S.358 would make available annually a minimum of about 11,000 80-point slots representing labor market demand-based immigrants. Some proportion of the remaining 43,000 50-point slots would be awarded based on occupational "points" as noted above.[12] Over the 1991 to 1999 period, this would total 112,000 80-pointers and 450,000 with 50 points or more. These are relatively small numbers when viewed against a projected U.S. labor force of approximately 125 million.

Although U.S. labor market demand cannot be identified comprehensively with available data, demand for certain occupations that reflect the occupational structure of the U.S. economy or shortfalls in our education and training systems can be identified --for example, nursing, and certain scientific occupations.

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[12]After 3 years, the totals would be 67,500, of which 13,500 would be 80-point slots, and 54,000 would be 50-point slots.

I would also like to point out that even if we did have "comprehensive" data on U.S. labor market demand, such as those that could be obtained by doing some type of demand test in numerous local labor markets, there would always be some disagreement about the value of the data themselves or the value of projections using those data. First, some would argue that our knowledge of labor markets is so limited, and market situations so changeable, that any current survey or projections of labor force "demands" or needs would invariably be wrong. Second, some would argue that increases in the market price for labor would rectify any "demands" for labor. Belief in either of these positions would necessarily invalidate the use of any data on or projections of demand, however "comprehensive." Our point here is that even if we had perfect data, the process that the Department of Labor adopts to measure occupations "in demand" under S.358 would be likely to be controversial. The Canadian experience with a somewhat similar "point system" has involved several changes in methodology.

THE LIKELY IMPACTS OF S.358 IN LIGHT OF ITS OBJECTIVES AND CURRENT IMMIGRATION TRENDS

At this point, Mr. Chairman, I would like to relate what we found in our assessments of changes in the numbers of immigrants, the visa waiting list, and labor-market-based immigration more specifically to the various objectives of S.358, as discussed earlier.

One of the bill's objectives is to increase the representation of persons admitted on the basis of the demand for their occupational and education skills rather than their family relationship to a U.S. citizen or permanent resident. S.358 would increase by fiscal year 1994 the annual number of admissions based on labor market characteristics from 54,000 under the current 3rd and 6th preference classes to nearly 150,000. If one excludes family members brought in under the 3rd and 6th preference classes, the increase under S.358 would be even greater: a four-fold increase from 24,000 slots currently to an estimated 98,500 by 1994. The required labor market and skills tests would ensure that a larger proportion of immigrants will be subject to these tests.

A second major objective of S.358 is to split the current family preference system into separate "family connection" and "independent immigrant" admission tracks. We conclude from our assessment that "family connection immigrants" and "independent immigrants" would be on separate admission tracks only in part. Separate programs are in fact established, separate eligibility criteria are specified, and, as I just noted, specific numbers of slots are allocated for the new independent immigrants program. Yet there is likely to be considerable competition between these two groups. The spouses and children of selected immigrants would increase competition among all those seeking 2nd preference visas. The decreases in family preference immigration imply that the waiting lists could become much longer, and that some persons

currently in the family preference classes may seek to enter the pool of selected immigrants.

If pressures on the waiting lists increase, as we predict, some immigrants might seek entry through the nonimmigrant system as students and temporary workers, who are allowed to bring in spouses and children.[13] Some immigrants may seek to enter the United States illegally. These dynamics could imply an increased "gaming" of the system through multiple applications, and an expanded effort by immigrants to seek the quickest route of entry--whatever it may be --depending on such variables as country of origin, family size, and nature of family relationships with persons in the United States. The incentive to reduce waiting times by movements across classes is particularly great for 5th preference applicants--some 1.4 million persons--under S.358.

A third objective of the bill is to stimulate immigration from source countries that in the past have constituted a large proportion of the flow, and that now constitute much less. Our assessment is limited with respect to the degree to which S.358 may be expected to increase immigration from countries "now virtually excluded". First, with regard to family preference immigration, we have noted that either projection of S.358 would increase the proportion of immigrants from countries <u>other</u> than the 8 high-

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[13]There is a high positive correlation between nonimmigrants who overstay their visas and the size of the waiting lists, by country of citizenship.

demand countries we studied, and it seems reasonable to assume that the demand for immigration from those other countries would fill those slots. However, it is also the case that under either projection, the 8 high-demand countries we studied would continue to dominate family preference class immigration.

Second, with respect to independent immigrants, assessment is even more difficult. At least initially under S.358, immigrants from some high-demand countries such as Mexico, the Philippines and South Korea might be excluded from the selected immigrant class because they could use up all their per-country allocations in the 3rd and 6th preference classes. While immigration under the 3rd and 6th preferences would probably initially resemble recent immigration because of immigrants already in the pipeline, we cannot predict trends beyond that time because we have no experience with the new demand. We do not believe that more general predictions can be made about whether or not selected immigrants will increase representation from countries "now virtually excluded." The point system could serve to increase the representation from these and other nations that are currently low-demand countries, but other scenarios are possible.

We conclude that because of the likely reductions in family preference immigration from the 8 high-demand countries we studied, S.358 could--over the next 10 years--make available about 60 percent of the available family preference visas to natives of the

remaining 167 countries, compared with about 48 percent under current law. The distribution likely to result under S.358 is, therefore, an important and significant reversal of the trend under current law.

The fourth objective we assessed was altering the distribution of family connection immigrants to favor closer rather than more distant relatives of U.S. citizens and residents. We think S.358 would decrease annual admissions for 5th preference, increase admissions for 2nd preference, and would allow continued immediate-relative immigration without any numerical limitations. Furthermore, the sharp reduction we predict in family preference immigration under the fixed 440,000 limit of S.358 serves to concentrate family-connection immigration among the closest immediate relatives.

I think we need to be aware, Mr. Chairman, that any system of immigration will be subject to pressures resulting from changing domestic and international conditions, and building flexibility into the immigration system is an important way that we can respond to those pressures in a timely fashion. That is the fifth objective of the proposed legislation that we assessed. The bill requires a periodic review of the impacts of immigration upon the United States, and provides for changing the immigration levels. These mechanisms can be used to respond to future pressures and concerns.

That concludes my statement, Mr. Chairman. I will be happy to respond to any questions that you or the members of the subcommittee may have.

ATTACHMENT A

LIST OF IMMIGRATION EXPERTS WE CONSULTED

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